

MICHIGAN STATE WATERWAYS COMMISSION
REGULAR MEETING

Minutes of the meeting of
April 25, 2003
Presque Isle Harbor Association Clubhouse
6424 Kaufman Road
Presque Isle, Michigan

A regular meeting of the Michigan State Waterways Commission was called to order by Chairman Winn at 9:00 a.m. on Friday, April 25, 2003, in the Presque Isle Harbor Association Clubhouse, Presque Isle, Michigan. The following Commissioners were present:

John Winn, Chairman
Frank Opolka, Vice-Chairman
David Giffin
Peter Beauregard
David Johnson
Bob Spicer
John VanderMolen

George Burgoyne, Resource Management Deputy and Lansing staff were present.

Chairman Winn thanked the City of Alpena for their hospitality and the Presque Isle Harbor Association for use of their clubhouse for the Commission meeting. Chairman Winn recognized former Natural Resources Commissioner Harry Whitely.

Mr. Peter Kirchner welcomed the Waterways Commission to the Presque Isle Harbor Association Clubhouse; the Harbor Association is comprised of 2700 home and property owners, covering 3000 acres and 3 miles of Lake Huron shoreline. The Presque Isle state dock adjoins Association property. Mr. Kirchner pointed out that the Association and the Department of Natural Resources have long enjoyed a good working relationship.

Mr. Eric Cline, City of Alpena Assistant City Manager, informed the Waterways Commission that the Sea Scouts, a division of the Boy Scouts of America, have submitted the progress report (related to transient slip fees) necessary to fulfill the requirements stipulated by the Waterways Commission in 2002.

Mr. Mike Veum, a tenant at the marina at Sault Ste. Marie, provided his support for the City of Sault Ste. Marie's agenda item requests.

Mr. John Dixon, Charter Boat Captain from Troy, discussed his concerns regarding problems encountered when charter boats end up paying double slip fees for a slip and for the use of the dock when picking up and dropping off clients. Dixon stated there are no private marinas in the area he uses and there are significant safety issues due to heavy

boat traffic and low water issues. Dixon asked if the Waterways Commission has the power to waive this requirement.

Mr. Bill Boik, Department of Natural Resources, reported that the Department attempted to work with Charter Boat Captains, and, provided as an example, that they offered four seasonal slips at Presque Isle for the use of charter boats that would pay for the privilege to charter out of their slip. Only two of those slips were reserved by charter boat companies. Boik stated that an unfair advantage would be created if the rules would change to allow some charter boats a reduced rate as described above. Boik also pointed out potential problems due to noise issues, safety issues and ADA (Americans with Disabilities Act) accessibility issues.

Chairman Winn agreed in concept with Mr. Dixon, but believes the mission of the Waterways Commission is to make boating both pleasurable and safe for the general public. He believes it is the individual boat captain's responsibility to maintain decorum at all times, especially if going out in the early morning.

Commissioner Giffin wondered if it might be fair to return the money to the two charter boat companies who have already reserved slips at Presque Isle Harbor if the Commission decides to provide a waiver.

Michigan Representative Matt Gillard stated that there didn't appear to be a lot of interest from charter boats captains for paying for a seasonal slip. He suggests that there be a one year waiver for the current system and to review the policy next year to see if any problems have arisen. Even though some charter boats are only in his district for one month, they bring in a great deal of revenue during that short time.

Upon motion by Commissioner Giffin, seconded by Commissioner Johnson, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve the use of harbor slips on either a daily or seasonal commercial rental basis for the loading and unloading of charter boat customers based upon the harbormaster's authority and without displacing any transient slips. In addition, the two charter boat captains who paid for a seasonal slip will be offered a full refund, if they wish, since loading at a slip has been approved for daily charter boat slip rentals.

Mr. Boik reiterated that the double rate was assessed because of a charter's commercial use of the marina. He stressed that if and when the harbor fills up, then the charters must leave the slips. Mr. Dixon does not believe this will be a problem as historically there has not been a slip shortage, at least in his area.

Mayor Beach Hall, Rogers City, welcomed the Waterways Commission to northeast Michigan and invited all to come back this summer to enjoy the amenities of the area.

Ms. Jan Kellogg, Economic Development Specialist with the North East Council of Government (NEMCOG), which represents eight local communities, provided insight into the role of the organization in local development issues. She pointed out that some communities along Lake Huron have marinas and other businesses that are struggling to survive and NEMCOG has been brought into the mix to provide organizational guidance. NEMCOG is in the process of developing a paper which will provide possible solutions to their economic concerns. NEMCOG would like to partner with the Waterways Commission on future project. Representative Gillard stated he has lobbied heavily for NEMCOG's involvement and for projects in which the Commission and local governments can partner.

Commissioner Giffin stressed that while many communities would like an increase seasonal slip rentals, this must not be structured to the detriment of the transient boaters. He also wants all communities to be a part of the Central Reservation System; he believes this system can track data which would be beneficial to the local community and would provide a service to the boater. Representative Gillard stated that they support the concept of the Central Reservation System.

Commissioner Beauregard cautioned that the Commission is not in the business of providing private facilities, but our mission states we are to help the general public who are recreational boaters.

Mr. Sec Garcia, Community Services Director, City of Grand Haven, stated that the Grand Haven City Council has issued a Resolution in support of joining the DNR's Customer Reservation System.

Mr. Ron Skiba, Harrisville, welcomed the Commission to Sunrise Side of Michigan. He provided information packets to the Commission concerning a proposed dredging project in Harrisville and the U.S. Army Corp of Engineers' (USACoE) assessment. This upgrade project will be submitted in 2004 to the Corp for a proposed grant. He was unsure if the Waterways Commission could endorse this dredging project for expansion in Harrisville. In addition, he stated Harrisville would like to have a year before committing to the Central Reservation System.

Commissioner Giffin asked if there was any resistance from the USACoE to the proposed disposal site. Mr. Skiba said the community will not know until the USACoE responds. Mr. Skiba stated that even though the permit expires in 2006, there is a need for a disposal site now.

Commissioner Giffin strongly encouraged Harrisville to join the Central Reservation System sooner than later. Mr. Skiba was uncertain of the particulars of the system but Commissioner Giffin assured him there is no cost to the community to put the system in and that the benefits to the community are substantial and can be documented.

Mr. Boik informed Mr. Skiba that the Department of Environmental Quality (DEQ) is the lead agency on dredging projects. Commissioner Beauregard said an endorsement from

the DEQ would provide more credibility than one from the Waterways Commission. Commissioner Opolka asked Mr. Skiba if Harrisville had contacted their local legislators, and they have made those contacts.

Mr. George Greene, Presque Isle, is a boater who is very pleased that the management of the Presque Isle marina has been assumed by DNR. He appreciates the public money invested in the harbor as he knows it will serve the general public. He has concerns with vacant slips at Presque Isle and hopes the DNR can find a way to fill them. Mr. Greene wondered who buys more fuel and pays more taxes – the seasonal boater who goes out of the area or the transient who uses it on vacation. Mr. Greene believes the answer is the seasonal. He proposes that the state offer a 50-50 split for dock usage for one year to see how that works. Mr. Greene also thinks the decision to add 12 additional slips was a great idea.

Mr. Peter Petalia, Presque Isle Supervisor, welcomed the Commission to Presque Isle Township (Township). Mr. Petalia offered to work with the DNR management of the marina. He hopes the Township would eventually be able to manage the harbor when the bids management are decided. Mr. Petalia said he has concerns with parking at the marina, especially during tournaments. Mr. Boik pointed out that there is overflow parking available across the road from the marina. There is a minor problem with the overflow parking as it sits on a septic field; the state has sent a letter to the Township asking for them to partner with the DNR by providing more parking on land owned by the Township. Mr. Boik also added that the DNR does not have jurisdiction to police the road, and that if the local government erects “No Parking” signs, then the locals would need to provide policing on the road.

Upon motion by Commissioner Beauregard, seconded by Commissioner Opolka, the minutes of the February 5, 2003 meeting in Detroit were approved.

Project Status Report – Mr. Boik provided a description of current harbor projects. The St. Ignace Harbor is close to completion and plans are underway for a Dedication of the Harbor on June 12, 2003. Also, the Traverse City Harbor project is slated for Dedication in August, 2003. The Cedar River project is moving forward and some contracts have been let. There are still a few issues to be resolved. Mr. Boik reported that the DNR has been working with the federal government on the Cheboygan Lock and Dam project. St. Aubin’s Harbor (renamed as Tri-Centennial Harbor) is closed for major renovation. Commissioner Johnson reminded Mr. Boik that the new docks must be flush on the end. Many state harbor dredging projects are still moving forward; and are in various stages of the engineering and permitting process.

Boating Access Sites (BAS) – Mr. Boik stated that the Pigeon Lake BAS was moving forward; Sherman Lake BAS was closed due to construction, but would open soon; and the Ocqueoc BAS is also under construction.

The Commission received a letter from the Village of Lexington stating that they do not intend to renew their lease on their Grant-in-aid marina. The current contract expires on

April 30, 2003. Contact has been made to extend the contract to September 30, 2003. The Village must assess whether they can run the facility and if they can afford the \$7 million price.

The St. James Township project is still on-going but there are issues concerning permits for this project as a local property owner has legally challenged the USACoE permit. These issues involve questions related to certain rights that were sold by previous property owner. The DEQ believes the USACoE will issue the permit noting that the Corp does not approve the operation, just issues involving the bottomlands.

Mr. Richard E. Hill, Captain at the Bois Blanc Island Dock; Curt Plaunt, President of Plaunt Transportation; Loren Gibbons, Bois Blanc Supervisor and Graham T. Whipple, Chairman of the Bois Blanc Harbor Commission appeared to discuss a proposed rate increase imposed on them.

Mr. Plaunt informed the Commission that the DNR has proposed a 400% increase in dock rates. He questioned how the Commission had arrived at this increase. Mr. Boik responded that all commercial user rates are double the recreational rates. The reason for the large increase is that the Commission has been unaware that the Bois Blanc operators had not been paying the proper rate since 1988, as that was the last year the Commission approved their rates. It is now the intention of the DNR to bring the contract up to date.

Mr. Plaunt approached the Commission asking for a variance to leave the rates as they are. Commissioner Winn commented that the rate increase is a matter of fairness, as the Commission is asking everyone to pay the same rates. Mr. Boik stated that Bois Blanc is a state sponsored facility which has apparently had a private enterprise being subsidized since 1988. The fee in 2002 was \$2,500, and to bring it in line with other facilities, the fee this year is \$10,000. Mr. Plaunt doesn't believe the Township needs the money in their fund.

Mr. Gibbons supported Mr. Plaunt's assessment of the situation stating that the ferry boats are their resident's lifeline to mainland.

Commissioner Johnson wondered whether the ferry could pay as a recreational craft rather than as commercial craft. Commissioner Opolka thought this to be a complex issue and suggested that this be tabled until June in order to have an opportunity to review the factors.

Mr. Plaunt recounted that he has received no complaints from other transient boaters. He also stated he is not subsidized like the Beaver Island Ferry. DNR staff will provide to the Commission at the June meeting the rental terms the Beaver Island Ferry has with both Charlevoix and St. James Township on Beaver Island.

Mr. Whipple provided a historical background on docks, dock extensions and the agreements between the Waterways Commission and the Township. In years past, the Township sent a budget to the Commission detailing their items of income. Those fees

were approved by former DNR staff years ago. Mr. Whipple is very surprised that the rates went up so much. He believes that the consumers will end up paying and that the private business involved will not. The Township does have funds in the bank for grant in aid projects, and they are comfortable they would be able to complete the projects they want to do. Mr. Whipple is concerned with what the general public would have to pay to get to the island as everything in or off island comes by boat. He again stated he is satisfied with the system in place now and with the exception of one or two, there have not been any complaints. He again said he feels the service in place is good and any increase would adversely affect the general public.

Chairman Winn stated that, in general, the Waterways Commission is sympathetic to the fact that the increase is so large, but that there is a basic question of fairness. Also, when an entity comes before the Commission with a request for grant in aid, but they lack the required matching funds, then the Commission's hands are tied. Mr. Whipple stated that the general population does support the dock as he noted that their millage was renewed this year; and as such, he believes the funding is adequate.

Commissioner Johnson suggested that Bois Blanc needs to join the Central Reservation System. Mr. Whipple noted he was not familiar with the system. Commissioner Winn replied that the system has been in place for some time, but that they wanted to be sure the new system was able to handle every community before they made a concerted effort to have everyone join. The Commission is now satisfied that the bugs have been worked out and that the system is completely functional.

Mr. Hill stated he has leased dockage from City of Cheboygan for \$2,000 per year which has flush toilet facilities (which the Bois Blanc dock does not). He stated that this is a business, and while he understands that the rates need to increase with inflation, he believes that this large increase of rates four times higher than the previous year will be devastating for his new business. He asked that if initiated, the increase should take place in a seven-year increment. Mr. Hill explained that Bois Blanc is not a Mackinac Island, as there isn't the commercial cache for travel.

Mr. Richard Lewis, City Manager, City of Traverse City, addressed the Commission's Central Reservation System contingency applied to the February 5, 2003 approved Motion to use the 2003 Mackinac Island rate schedule. Mr. Lewis admitted to being surprised by the contingency, but stated he was open and willing to present this to the City Commission. The City has been very busy with construction of the new dock area, the hiring of a new dock master and plans for the Dedication in August, 2003. At the same February Commission meeting the Commission had also asked about financial justifications related to seasonal rates which Mr. Lewis provided. He said his understanding is that the seasonal rates are the base numbers, but the City can charge more if the rate holders are aware of this. Mr. Lewis requested that the Commission provide formal approval to the rate change as requested at the February 5, 2003 meeting, and these rates will be implemented when the marina is opened in the summer. He expressed the City's appreciation for the support of the Waterways Commission and stated they looked forward to the dedication. He had just heard that Governor Granholm

would not be able to attend a proposed dedication in May, but that the contractors are still working on an expedited schedule. The City is also hopeful the contractors will be available to work on a launch project since they are already on-site.

Upon motion by Commissioner Giffin, seconded by Commissioner Johnson, it was unanimously

RESOLVED, that the Waterways Commission approve the request of the City of Traverse City to grant the authority to charge a 5% rate above the established zone rate to seasonal slip boaters. The Commission notes the Central Reservation System will be operational by the next boating season.

Commissioner Beauregard left the meeting at 11:00 a.m.

City of Grand Haven requested the use of 15 transient slips for a fundraiser fishing tournament on July 19, 2003. The fundraiser is for the Cystic Fibrosis Foundation to hold a Saturday fishing tournament and to use 15 of the 51 transient slips exclusively for the tournament. Upon motion by Commissioner Johnson, seconded by Commissioner Opolka, with Commissioner Giffin abstaining, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve the request of the City of Grand Haven for the use of 15 transient slips during the Cystic Fibrosis Foundation fundraiser on July 19, 2003. Transient boaters will need to be accommodated during this event.

City of Grand Haven further requested to sponsor an event by the Grand Rapids Power Squadron to promote and teach on June 20 and 21, 2003 and to have the exclusive use of 15 specific slips for the event. Upon motion by Commissioner Opolka, seconded by Commissioner VanderMolen, with Commissioner Giffin abstaining, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve the request of the City of Grand Haven for the exclusive use of 15 slips for the June 20-21, 2003 Grand Rapids Power Squadron event. Transient boaters will need to be accommodated during this event.

The City of Alpena has submitted additional information regarding the Sea Scout program as requested by the Commission. The City of Alpena requests to offer a seasonal slip for \$100 to the Sea Scouts, a division of the Boy Scouts of America. Upon motion of Commissioner Spicer, seconded by Commissioner VanderMolen, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve the City of Alpena's request to offer a seasonal slip to the Sea Scouts for \$100.00.

City of Sault Ste. Marie requested that 20 transient slips at the George Kemp Marina, out of a total of 57 slips, be converted to seasonal slips for a five-year period beginning with

the 2003 boating season. Upon motion by Commissioner Giffin, seconded by Commissioner Opolka, it was unanimously,

RESOLVED, that the Waterways Commission does hereby approve the conversion of 20 transient slips at the George Kemp Marina to seasonal slips for the 2003 boating season. In addition, the City's request for a five-year approval is modified for the conversion of 12 transient slips to seasonal slips. This approval is contingent upon a year-end report of the conversion activities at the George Kemp Marina.

The City of Sault Ste. Marie requested a rate reduction at the George Kemp Marina of 50% for the period from the opening date to June 15, and again after Labor Day to the closing of the facility for a five-year period (2003-2007). The City also requested a reduced rate structure at the George Kemp Marina for special marine events, such as fishing tournaments, at \$10 per night for 30 foot slips for a five-year period (2003-2007). In addition the City requested a special rate schedule at the George Kemp Marina for a weekly rate of \$3.00 per foot for individuals who want to store their boat in a slip at the facility. Upon motion by Commissioner Johnson, seconded by Commissioner Giffin, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve the request of the City of Sault Ste. Marie for a rate reduction at the George Kemp Marina for 50% for the period from the opening date to June 15, and again after Labor Day to the closing of the facility for a five-year period (2003-2007). Also, the Waterways Commission does hereby approve the request for a reduced rate at the George Kemp Marina for special marine events at \$10 per night for 30 foot slips for a five-year period (2003-2007). In addition, the Waterways Commission does hereby approve a special rate schedule at the George Kemp Marina for a weekly rate of \$3.00 per foot for no more than five (5) boats per week for the 2003 boating season for individuals who want to store their boat in a slip at the facility. This approval is contingent upon a year-end report of the activities and only for the 2003 boating season for evaluation purposes.

The City of Sault Ste. Marie requested a rate reduction at the Charles T. Harvey Marina for seasonal boats for a 30-23 foot slip from \$920 to \$690 and the 42-45 foot slip from \$1,229 to \$1,004 for the 2003 boating season only. The intent is to increase occupancy which would increase collected revenue. Upon motion by Commissioner Giffin, seconded by Commissioner Spicer, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve a rate reduction for seasonal boaters as requested at the Charles T. Harvey Marina for the 2003 boating season with a year-end report to the Waterways Commission on its effectiveness.

The City of Saint Clair requested a rate variance for transient boaters for a mid-week reduction. Upon motion by Commissioner Giffin, seconded by Commissioner Opolka, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve the City of Saint Clair's request for a pay one night get the second night half price for midweek transient boaters for the 2003 boating season. This approval is contingent upon a year-end report of the activities and only for the 2003 boating season for evaluation purposes.

The County of Marquette requested a seasonal rate variance that reduces rates at 60% of Waterways Commission approved rates. The County of Marquette is also proposing to charge the full Waterways Commission Transient Rates for transient boaters. It was noted that this is an annual request and is made because of the remote location of the facility and the need to collect adequate revenues to operate the facility. Upon motion by Commissioner Opolka and seconded by Commissioner Spicer, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve the County of Marquette's rate variance request that reduces seasonal rates at 60% of Waterways Commission approved rates. Approval is contingent upon participation by the County of Marquette in the DNR's Central Reservation System in 2003.

The City of Charlevoix requested a rate variance to use the Mackinac Island Rate Schedule for transient boaters. Upon motion by Commissioner VanderMolen and seconded by Commissioner Spicer, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve the City of Charlevoix' request for a rate variance to use the Mackinac Island Rate Schedule for transient boaters. This approval is contingent upon participation by the City of Charlevoix in the DNR's Central Reservation System in 2003.

The City of Frankfort requested the use of a slip for a commercial fishing operation by a tribal fisherman. The City further requested they be allowed to offer the slip at the recreational slip rate versus the double recreational rate for commercial users. The City has worked out a local agreement with the Grand Traverse Band of Ottawa and Chippewa Indians to provide one slip at the recreational rates. Upon motion by Commissioner Giffin, seconded by Commissioner Opolka, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve the City of Frankfort's request for a slip for commercial use at the recreational slip rate for a commercial tribal fishing operation. This approval is contingent upon participation by the City of Frankfort's participation in the DNR's Central Reservation System in 2003.

The Village of Mackinac City requested a change in the ratio from 75% to 50% for reservable transient slips. Mr. Jeffrey Lawson, Village Manager, Village of Mackinaw City spoke on behalf of the change in ratio. Mr. Lawson stated the Village of Mackinaw City has been in the Central Reservation System for the last three years; they believe that boaters using their marina are accustomed to coming to the harbor and being

accommodated. They believe that the ratio at 75% is too high. They would like to start at 50% and have the flexibility to adjust. They believe that the Mackinaw City harbor is very different from other harbors across the state. Commissioner Giffin hesitated to go change the ratio and Commissioner Winn agreed, pointing out the issue of fairness. Upon motion by Commissioner Opolka, seconded by Commissioner Spicer, it was unanimously

RESOLVED that the Waterways Commission does hereby deny permission to the Village of Mackinaw City's request to reduce the reservable ratio to 50% of the available transient slips.

The Village of Mackinac City further requested a rate variance that would allow them to use the higher Mackinac Island Rate Schedule. Upon motion by Commissioner Opolka, seconded by Commissioner Giffin, it was unanimously

RESOLVED that the Waterways Commission does hereby approve a rate variance to use the higher Mackinac Island Rates for both seasonal and transient slips. This approval is contingent that the higher Mackinac Island rates are applied to both seasonal and transient slip users.

Mr. Tim Rice, Presque Isle area resident, stated he believed there were seasonal slips problems at his local marina. He stated there are problems with reserving slips for certain sized boats; with trailerable boats and with issues related to charter fishing boats and local fishing boats.

Mr. Chuck Yoder, Presque Isle area resident, is opposed to the "lottery system" used for reserving certain slips at the Presque Isle harbor. He believes only continuity in slip usage is workable.

Mr. Burgoyne noted that information regarding the Waterways Fund Appropriations was included in their packet. This information was supplied to fulfill a request from the February 5, 2003 Waterways Commission meeting.

Commissioner Winn restated that the mission of the Waterways Commission includes providing ports of refuge to Great Lakes boaters. It is also the Commissions responsibility to assess where funds can be spent and to wisely allocate those funds.

As currently scheduled, the next Waterways Commission meeting will be held on Friday, June 13, 2003 at 9:00 a.m. in St. Ignace, Michigan.

Commissioner Johnson left the meeting at 11:25 a.m.

The meeting was adjourned at 11:30 a.m.